

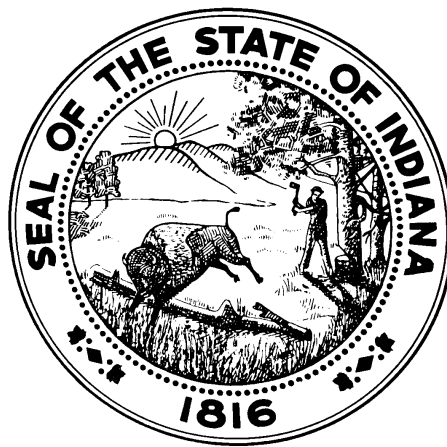
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2007

CITY OF LAPORTE

LAPORTE COUNTY, INDIANA



FILED
08/06/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Teresa L. Ludlow	01-01-07 to 12-31-10
Mayor	Leigh E. Morris Kathleen A.Chroback	01-01-07 to 12-31-07 01-01-08 to 12-31-11
President Pro Tem of Common Council	Terry Scherer Andrea Renner	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of Public Works and Safety	Leigh E. Morris Kathleen A.Chroback	01-01-07 to 12-31-07 01-01-08 to 12-31-08
Superintendent of Water Utility	Todd A.Taylor	01-01-07 to 12-31-08
Superintendent of Wastewater Utility	Jerry P. Jackson	01-01-07 to 12-31-08



STATE OF INDIANA

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF LAPORTE, LAPORTE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of LaPorte (City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2007, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated July 2, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, Schedules of Contributions From the Employer and Other Contributing Entities as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules, as listed in the Table of Contents and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

July 2, 2008



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL AND FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF LAPORTE, LAPORTE COUNTY, INDIANA

We have audited the financial statements of the City of LaPorte (City), as of and for the year ended December 31, 2007, and have issued our report thereon dated July 2, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
AND FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 2, 2008

CITY OF LAPORTE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental activities:							
General government	\$ 6,898,424	\$ 715,172	\$ 411,247	\$ -	\$ (5,772,005)	\$ -	\$ (5,772,005)
Public safety	5,084,204	200,236	1,065,589	1,605	(3,816,774)	-	(3,816,774)
Highways and streets	1,817,256	5,010	1,028,893	-	(783,353)	-	(783,353)
Sanitation	1,675,053	791,145	-	-	(883,908)	-	(883,908)
Culture and recreation	1,643,251	605,858	7,803	-	(1,029,590)	-	(1,029,590)
Urban redevelopment	1,627,478	-	1,023,932	-	(603,546)	-	(603,546)
Economic development	202,802	-	185,895	-	(16,907)	-	(16,907)
Principal on long-term debt	711,000	-	-	-	(711,000)	-	(711,000)
Interest on long-term debt	491,606	-	-	-	(491,606)	-	(491,606)
Temporary loan to pension trust	415,000	-	-	-	(415,000)	-	(415,000)
Total governmental activities	20,566,074	2,317,421	3,723,359	1,605	(14,523,689)	-	(14,523,689)
Business-type activities:							
Water	3,208,952	3,199,157	-	-	-	(9,795)	(9,795)
Wastewater	6,634,201	3,866,173	10,000	-	-	(2,758,028)	(2,758,028)
Total business-type activities	9,843,153	7,065,330	10,000	-	-	(2,767,823)	(2,767,823)
Total government	\$ 30,409,227	\$ 9,382,751	\$ 3,733,359	\$ 1,605	(14,523,689)	(2,767,823)	(17,291,512)
General receipts:							
Property taxes					1,333,111	-	1,333,111
County economic development income tax					1,212,605	-	1,212,605
Other local sources					167,945	-	167,945
Excise taxes					506,760	-	506,760
Franchise fees					193,237	-	193,237
Gaming					123,068	-	123,068
Bonds					1,569,300	2,817,500	4,386,800
Grants and contributions not restricted to specific programs					1,474,264	283,929	1,758,193
Unrestricted investment earnings					275,444	403,878	679,322
Tax anticipation warrant					5,000,000	-	5,000,000
Total general receipts					11,855,734	3,505,307	15,361,041
Change in net assets					(2,667,955)	737,484	(1,930,471)
Net assets - beginning					13,460,718	7,871,937	21,332,655
Net assets - ending					\$ 10,792,763	\$ 8,609,421	\$ 19,402,184
<u>Assets</u>							
Cash and investments					\$ 2,590,113	\$ 1,387,247	\$ 3,977,360
Restricted assets:							
Cash and investments					8,202,650	7,222,174	15,424,824
Total assets					\$ 10,792,763	\$ 8,609,421	\$ 19,402,184
<u>Net Assets</u>							
Restricted for:							
Debt service					\$ 767,430	\$ 1,896,038	\$ 2,663,468
Customer deposits					-	225,775	225,775
Capital projects/improvements					5,190,767	5,111,403	10,302,170
Highways and streets					161,666	-	161,666
Other purposes					2,082,787	21,173	2,103,960
Unrestricted					2,590,113	1,355,032	3,945,145
Total net assets					\$ 10,792,763	\$ 8,609,421	\$ 19,402,184

The notes to the financial statements are an integral part of this statement.

CITY OF LAPORTE
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	General	Motor Vehicle Highway	Park and Recreation	Major Moves Construction	CEDIT	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 929,293	\$ 22,394	\$ 148,043	\$ -	\$ -	\$ 238,606	\$ 1,338,336
Licenses and permits	160,714	-	-	-	-	4,170	164,884
Intergovernmental	1,385,570	808,004	68,731	-	1,212,605	2,123,855	5,598,765
Charges for services	522,971	5,010	295,527	-	-	1,204,950	2,028,458
Fines and forfeits	49,543	-	1,300	-	-	8,495	59,338
Other	586,252	14,861	12,251	224,948	273	2,129,001	2,967,586
Total receipts	3,634,343	850,269	525,852	224,948	1,212,878	5,709,077	12,157,367
Disbursements:							
General government	3,807,148	-	-	-	694,648	680,490	5,182,286
Public safety	4,673,821	-	-	-	-	162,527	4,836,348
Highways and streets	-	781,661	-	-	-	240,134	1,021,795
Sanitation	-	-	-	-	-	1,675,053	1,675,053
Culture and recreation	3,500	-	1,319,417	-	-	305,312	1,628,229
Urban redevelopment	-	-	-	-	-	836,907	836,907
Economic development	-	-	-	-	-	202,802	202,802
Debt service:							
Principal	-	-	-	-	-	711,000	711,000
Interest	-	-	-	-	-	491,606	491,606
Capital outlay:							
General government	1,600	-	-	-	502,313	536,081	1,039,994
Public safety	115,527	-	-	-	-	144,624	260,151
Highways and streets	-	250,000	-	545,461	-	-	795,461
Culture and recreation	-	-	-	-	-	16,239	16,239
Urban redevelopment	-	-	-	-	-	814,948	814,948
Total disbursements	8,601,596	1,031,661	1,319,417	545,461	1,196,961	6,817,723	19,512,819
Excess (deficiency) of receipts over disbursements	(4,967,253)	(181,392)	(793,565)	(320,513)	15,917	(1,108,646)	(7,355,452)
Other financing sources (uses):							
Tax anticipation warrants received	5,000,000	-	-	-	-	-	5,000,000
Temporary loan to pension trust	-	-	-	-	-	(415,000)	(415,000)
Transfers in	-	-	-	-	-	639,579	639,579
Transfers out	(127,788)	-	(5,000)	-	-	(506,791)	(639,579)
Total other financing sources (uses)	4,872,212	-	(5,000)	-	-	(282,212)	4,585,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(95,041)	(181,392)	(798,565)	(320,513)	15,917	(1,390,858)	(2,770,452)
Cash and investment fund balance - beginning	1,225,973	242,949	132,733	4,539,485	1,354,766	5,445,619	12,941,525
Cash and investment fund balance - ending	\$ 1,130,932	\$ 61,557	\$ (665,832)	\$ 4,218,972	\$ 1,370,683	\$ 4,054,761	10,171,073
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:							
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							621,690
Net assets of governmental activities							\$ 10,792,763
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 1,130,932	\$ -	\$ (665,832)	\$ -	\$ 1,370,683	\$ 754,330	\$ 2,590,113
Restricted assets:							
Cash and investments	-	61,557	-	4,218,972	-	3,300,431	7,580,960
Total cash and investment assets - December 31	\$ 1,130,932	\$ 61,557	\$ (665,832)	\$ 4,218,972	\$ 1,370,683	\$ 4,054,761	\$ 10,171,073
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 767,430	\$ 767,430
Capital projects	-	-	-	4,218,972	-	971,795	5,190,767
Highways and streets	-	61,557	-	-	-	100,109	161,666
Other purposes	-	-	-	-	-	1,461,097	1,461,097
Unrestricted	1,130,932	-	(665,832)	-	1,370,683	754,330	2,590,113
Total cash and investment fund balance - December 31	\$ 1,130,932	\$ 61,557	\$ (665,832)	\$ 4,218,972	\$ 1,370,683	\$ 4,054,761	\$ 10,171,073

The notes to the financial statements are an integral part of this statement.

CITY OF LAPORTE
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2007

	Water Utility	Wastewater Utility	Totals	Internal Service Fund
Operating receipts:				
Metered receipts	\$ 2,664,180	\$ 3,679,470	\$ 6,343,650	\$ -
Customer deposits	39,959	-	39,959	-
Fire protection receipts	334,623	-	334,623	-
Service start up receipts	22,640	-	22,640	-
City contributions	-	-	-	1,705,028
Utilities contributions	-	-	-	324,735
Employee contributions	-	-	-	926
Other	137,755	186,703	324,458	399,420
Total operating receipts	3,199,157	3,866,173	7,065,330	2,430,109
Operating disbursements:				
Salaries and wages	884,214	923,756	1,807,970	-
Employee pensions and benefits	268,602	290,308	558,910	-
Purchased power	211,557	206,675	418,232	-
Chemicals	22,829	43,214	66,043	-
Material and supplies	215,068	149,174	364,242	-
Contractual services	94,431	448,638	543,069	-
Refunds	33,048	-	33,048	-
Transportation disbursements	41,831	35,293	77,124	-
Sales tax remitted	131,454	-	131,454	-
Insurance premiums	66,261	56,088	122,349	85,311
Insurance benefits	-	-	-	2,246,507
Other	270,304	403,393	673,697	11,465
Total operating disbursements	2,239,599	2,556,539	4,796,138	2,343,283
Excess of operating receipts over operating disbursements	959,558	1,309,634	2,269,192	86,826
Nonoperating receipts (disbursements):				
Bond proceeds	-	2,817,500	2,817,500	-
Interest and investment receipts	66,634	337,244	403,878	15,671
Contributions from property owners	-	10,000	10,000	-
Collections for other government	176,037	82,442	258,479	-
Sale of equipment	-	8,900	8,900	-
Debt service of principal	(432,285)	(495,000)	(927,285)	-
Interest and investment disbursement	(68,288)	(334,123)	(402,411)	-
Bond discount	-	(26,903)	(26,903)	-
Bond issuance costs	-	(90,163)	(90,163)	-
Bond agent fees	-	(800)	(800)	-
Capital outlay	(468,396)	(3,129,489)	(3,597,885)	-
Disbursements to other government	(176,421)	(83,626)	(260,047)	-
Total nonoperating receipts (disbursements)	(902,719)	(904,018)	(1,806,737)	15,671
Excess of receipts over disbursements and nonoperating receipts (disbursements)	56,839	405,616	462,455	102,497
Capital contributions	126,675	148,354	275,029	-
Cash and investment fund balance - beginning	1,393,267	6,478,670	7,871,937	519,193
Cash and investment fund balance - ending	\$ 1,576,781	\$ 7,032,640	\$ 8,609,421	\$ 621,690
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 814,239	\$ 573,008	\$ 1,387,247	\$ -
Restricted assets:				
Cash and investments	762,542	6,459,632	7,222,174	621,690
Total cash and investment assets - December 31	\$ 1,576,781	\$ 7,032,640	\$ 8,609,421	\$ 621,690
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Debt service	\$ 347,459	\$ 1,548,579	\$ 1,896,038	\$ -
Customer deposits	225,775	-	225,775	-
Improvements	174,357	4,937,046	5,111,403	-
Other purposes	14,951	6,222	21,173	621,690
Unrestricted	814,239	540,793	1,355,032	-
Total cash and investment fund balance - December 31	\$ 1,576,781	\$ 7,032,640	\$ 8,609,421	\$ 621,690

The notes to the financial statements are an integral part of this statement.

CITY OF LAPORTE
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2007

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 232,299	\$ -	\$ -
State	899,257	-	-
Total contributions	1,131,556	-	-
Investment earnings:			
Net increase in fair value of investments	-	9,574	-
Interest	7,303	7,431	-
Dividends	-	8,642	-
Total investment earnings	7,303	25,647	-
Agency fund additions	-	-	10,264,095
Total additions	1,138,859	25,647	10,264,095
Deductions:			
Benefits	1,816,934	-	-
Distribution	-	13,577	-
Administrative and general	90,607	2,340	-
Agency fund deductions	-	-	10,301,938
Total deductions	1,907,541	15,917	10,301,938
Excess (deficiency) of total additions over (under) total deductions	(768,682)	9,730	(37,843)
Other financing sources:			
Temporary loan received	415,000	-	-
Cash and investment fund balance - beginning	493,959	380,192	83,096
Cash and investment fund balance - ending	\$ 140,277	\$ 389,922	\$ 45,253

The notes to the financial statements are an integral part of this statement.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, culture and recreation, public improvements, planning and zoning, economic development, general administrative services, water, wastewater, and urban redevelopment.

The City's financial reporting entity is composed of the following:

Primary Government: City of LaPorte
Blended Component Unit: LaPorte Redevelopment Authority

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the City's governing body or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation. The blended component unit is presented below:

Component Unit	Description/Inclusion Criteria	Fund Included In
LaPorte Redevelopment Authority (Authority)	The primary government appoints a voting majority of the Authority's board and a financial benefit/burden relationship exists between the City and the Authority. Although it is legally separate from the City, the Authority is reported as if it were a part of the City because it provides services entirely or almost entirely to the City.	Other governmental funds

Joint Venture

The City is a participant with the LaPorte Chamber of Commerce and LaPorte Economic Advancement Foundation in a joint venture to operate the Greater LaPorte Economic Development Corporation which was created to advance the economic growth of the greater LaPorte area through a governmental/private sector partnership. The City remitted \$112,500 to supplement the Greater LaPorte Economic Development Corporation. The Greater LaPorte Economic Development Corporation's continued existence depends on continued funding by the City.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City appoints the board members of the LaPorte Municipal Airport Authority (Airport Authority). The City and Airport Authority have entered into an agreement to allow the Airport Authority's personnel to be included as participants in the City's health insurance plan with monthly premiums being paid by the Airport Authority to the City for such benefits.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The motor vehicle highway fund is used to account for state motor vehicle highway distributions which are restricted for the construction and maintenance of streets and alleys.

The park and recreation fund is used to account for the operating receipts and disbursements made in connection with the City's recreation programs and facilities.

The major moves construction fund is used to account for the state distribution of toll road lease proceeds for the construction of highways, roads, and bridges and other allowable disbursements in accordance with Indiana Code 8-14-16.

The CEDIT fund accounts for the county economic development income tax financial resources received for the promotion of economic development within the City in accordance with Indiana Code 6-3.5-7-13.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

Additionally, the City reports the following fund types:

The internal service fund accounts for life and medical benefits provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 police officers' and 1937 firefighters' pension plans, which accumulate resources for pension benefit payments.

The private-purpose trust funds report trust arrangements under which principal and income benefit the park department's civic auditorium.

Agency funds account for assets held by the City as an agent for others and serve as control of accounts for certain cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City and Water and Wastewater Utilities. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

a. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets - All other net assets that do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the City submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the City receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At December 31, 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2007
Park and Recreation	\$ 665,832
LaPorte High School Liaison Reimbursement	7,655
DUI Taskforce	1,423
Crash Fatality Reduction	939
Transit	42,125
Bond Debt Service	68,466
Fire Lease	70,751

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2007, the City had the following investments:

Investment Type	Primary Government Market Value
U.S. government securities	\$ 70,823
Mutual funds	136,869
Corporate stock	75,937
Preferred stock	10,240
Total	<u>\$ 293,869</u>

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the City to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the City's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments. At December 31, 2007, the City held investments in U.S. governmental securities, corporate stock, and preferred stock in the amount of \$70,823, \$75,937, and \$10,240, respectively. All of these investments were held by the counterparty's trust department.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years.

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. government securities	\$ 15,328	\$ 40,444	\$ 15,051
Mutual funds	136,869	-	-
Corporate stock	75,937	-	-
Preferred stock	10,240	-	-
Total	<u>\$ 238,374</u>	<u>\$ 40,444</u>	<u>\$ 15,051</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Standard and Poor's Rating	City Investments	
	Mutual Funds	Government Sponsored Enterprise
AAA	\$ -	\$ 70,823
Unrated	136,869	-
Totals	<u>\$ 136,869</u>	<u>\$ 70,823</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2007, were as follows:

Transfer From	Transfer To	2007
General Fund	Other governmental funds	\$ 127,788
Park and Recreation Fund	Other governmental funds	5,000
Other governmental funds	Other governmental funds	<u>506,791</u>
Total		<u>\$ 639,579</u>

The City typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees, Retirees, and Dependents

The City has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$85,000 per eligible participant per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions. As needed, the Common Council contributes funds from budgeted accounts within the general, CEDIT, and riverboat gaming funds.

Job Related Illnesses or Injuries to Employees

During 2003, the City joined with other governmental entities in the Indiana Public Employers' Plan Inc., (IPEP), a public entity risk pool currently operating as a common risk management and insurance program for approximately 740 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The City pays an annual premium to the risk pool for its related illnesses or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporation

The City has entered into a capital lease with the LaPorte Fire Station Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year totaled \$65,000.

C. Subsequent Events

On November 14, 2007, the Park and Recreation Board approved purchasing golf carts and miscellaneous equipment from the former golf course manager. The agreement includes loan payments for 4 years totaling \$120,000 plus interest at an annual rate of 7%. The first payment of \$35,000 was made in January of 2008. The final payment of \$3,035.78 will be due November 1, 2011.

D. Litigation

On May 17, 2006, a class action suit was filed in the U.S. District Court for Northern Indiana by the ACLU of Indiana alleging violation of the Americans with Disabilities Act (ADA). The suit seeks two types of relief; (1) an order requiring the City to install ADA compliant curb ramps throughout the City, and (2) an order requiring the City to bring all sidewalks in the City up to ADA standards. The City has agreed to a partial settlement with regard to the curb ramp issue. It is anticipated that this settlement will potentially cost several million dollars spread over a ten year period. The sidewalk issue has not been settled because of several legal issues and the potential cost to the City estimated at more than \$30,000,000. The sidewalk issue was presented to the Court on mutual motions for summary judgment, and a decision has not been rendered.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Conduit Debt Obligation

From time to time, the City has issued Economic and Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2007, there was one series of economic development revenue bonds and one series of industrial development revenue bonds outstanding. The 2001 economic development revenue bonds had an aggregate principal amount payable due in 2018 of \$2,130,000. The aggregate principal amount payable for the industrial development revenue bonds series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$6,500,000.

F. Rate Structure - Enterprise Funds

The current rate structure for the Water and Wastewater Utilities was approved by the Council on November 15, 2004.

G. Deferred Retirement Option Plan

Indiana Code 36-8-8.5 allows members of the 1925, 1937, and 1977 police and firefighter's pension plans to enter into a Deferred Retirement Option Plan (DROP). The member who elects to enter DROP agrees to: (1) Execute an irrevocable election to retire on the DROP retirement date and shall remain in active service until that date. (2) While in the DROP, the member shall continue to make contributions to the applicable fund under the provisions of that fund. (3) The member shall elect a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. (4) The member may not remain in the DROP after the date the member reaches any mandatory retirement age that may apply to the member. (5) The member may make an election to enter the DROP only once in the member's lifetime.

A member who retires on the member's DROP retirement date may elect to receive a retirement benefit in one of the following forms:

- (1) A retirement benefit paid by and calculated under the provision of the applicable fund as if the member had never entered the DROP.
- (2) A retirement benefit paid by the applicable fund and consisting of the DROP frozen benefit plus an additional amount, paid as the member elects, calculated by multiplying the amount of the DROP frozen benefit by the number of months that the member was in the DROP. If this benefit is elected, the member must elect to receive the additional amount as either a lump sum paid on the member's DROP retirement date and thereafter paid on the anniversary of the member's DROP retirement date.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

In 2007, the City had two firefighters in the 1937 Firefighters' Pension Plan meet all the requirements of the DROP and elect a lump sum payment which totaled \$142,125 from the Fire Pension Fund.

H. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utilities is not available.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The City's annual pension cost and related information as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 25,321	\$ 550,400	\$ 1,044,400
Interest on net pension obligation	(10,324)	64,900	182,200
Adjustment to annual required contribution	11,765	(80,600)	(226,400)
Annual pension cost	254,762	534,700	1,000,200
Contributions made	242,509	423,766	707,790
Increase in net pension obligation	12,253	110,934	292,410
Net pension obligation, beginning of year	(142,403)	1,081,306	3,035,947
Net pension obligation, end of year	<u>\$ (130,150)</u>	<u>\$ 1,192,240</u>	<u>\$ 3,328,357</u>

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	6.75%	1,528%	650%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-07	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-05	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

Actuarial Assumptions

Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	2.75/4%*

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 219,260	119%	\$ (82,811)
	06-30-06	188,518	132%	(142,403)
	06-30-07	254,762	95%	(130,150)
1925 Police Officers' Pension Plan	12-31-05	563,100	93%	1,307,873
	12-31-06	570,500	140%	1,081,306
	12-31-07	534,700	79%	1,192,240
1937 Firefighters' Pension Plan	12-31-05	944,600	89%	3,032,362
	12-31-06	1,067,200	100%	3,035,947
	12-31-07	1,000,200	71%	3,328,357

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2007, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	30	42
Current active employees	1	6

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2007, 2006, and 2005, were \$696,663, \$668,170, and \$636,325, respectively, equal to the required contributions for each year.

CITY OF LAPORTE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 3,924,083	\$ 4,310,377	\$ (386,294)	91%	\$ 3,291,086	(12%)
07-01-06	3,616,085	4,418,349	(802,264)	82%	3,339,668	(24%)
07-01-07	4,106,386	4,789,609	(683,223)	86%	3,644,736	(19%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 160,782	\$ 8,229,000	\$ (8,068,218)	2%	\$ 65,800	(12,262%)
01-01-03	342,963	7,963,500	(7,620,537)	4%	70,600	(10,794%)
01-01-04	94,356	7,967,700	(7,873,344)	1%	73,400	(10,727%)
01-01-05	141,018	7,873,400	(7,732,382)	2%	74,800	(10,337%)
01-01-06	120,768	8,079,500	(7,958,732)	1%	38,500	(20,672%)
01-01-07	243,915	7,594,000	(7,350,085)	3%	*	*

*Covered payroll not available.

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 312,992	\$ 13,791,200	\$ (13,478,208)	2%	\$ 394,400	(3,417%)
01-01-03	518,871	14,012,400	(13,493,529)	4%	459,500	(2,937%)
01-01-04	128,885	14,838,900	(14,710,015)	1%	403,700	(3,644%)
01-01-05	308,848	12,976,300	(12,667,452)	2%	261,500	(4,844%)
01-01-06	210,374	14,695,600	(14,485,226)	1%	231,000	(6,271%)
01-01-07	250,044	13,805,800	(13,555,756)	2%	160,800	(8,430%)

CITY OF LAPORTE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CONTRIBUTIONS FROM THE
EMPLOYER AND OTHER CONTRIBUTING ENTITIES

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			City	State
1925 Police Officers' Pension Plan	12-31-02	\$ 875,700	33%	50%
	12-31-03	891,100	4%	36%
	12-31-04	928,000	1%	32%
	12-31-05	579,200	39%	56%
	12-31-06	588,200	72%	64%
	12-31-07	550,400	26%	70%
1937 Firefighters' Pension Plan	12-31-02	\$ 1,528,600	23%	33%
	12-31-03	1,694,300	3%	22%
	12-31-04	1,791,500	17%	22%
	12-31-05	981,600	37%	49%
	12-31-06	1,108,400	48%	48%
	12-31-07	1,044,400	49%	49%

CITY OF LAPORTE
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	Local Road and Streets	Leaf Vac Grant	Rainy Day	Park Nonreverting	Urban Forester	Aquatic Weed Grant	Economic Development Commission
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	231,286	-	-	-	-	9,900	-
Charges for services	-	-	-	47,119	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	231,286	-	-	47,119	-	9,900	-
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	240,134	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	49,412	10,199	9,900	-
Urban redevelopment	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Culture and recreation	-	15,674	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-
Total disbursements	240,134	15,674	-	49,412	10,199	9,900	-
Excess (deficiency) of receipts over disbursements	(8,848)	(15,674)	-	(2,293)	(10,199)	-	-
Other financing sources (uses):							
Temporary loans to pension trust	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(5,000)	-	-	-
Total other financing sources (uses)	-	-	-	(5,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,848)	(15,674)	-	(7,293)	(10,199)	-	-
Cash and investment fund balance - beginning	108,957	15,674	25	24,859	10,199	-	10,780
Cash and investment fund balance - ending	<u>\$ 100,109</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 17,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,780</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ -	\$ 25	\$ 17,566	\$ -	\$ -	\$ 10,780
Restricted assets:							
Cash and investments	100,109	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 100,109</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 17,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,780</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-	-	-
Highways and streets	100,109	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	25	17,566	-	-	10,780
Total cash and investment fund balance - December 31	<u>\$ 100,109</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 17,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,780</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Law Enforcement Continuing Education	Unsafe Building	Recycling	Recreation Nonreverting	Civic Nonreverting	Golf Nonreverting	Cumulative Nonreverting Training
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	4,170	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	9,453	-	484	160,639	79,104	13,176	-
Fines and forfeits	8,495	-	-	-	-	-	-
Other	500	-	-	-	4,670	-	-
Total receipts	22,618	-	484	160,639	83,774	13,176	-
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	14,873	6,593	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	23,243	-	-	-	-
Culture and recreation	-	-	-	135,995	74,975	22,991	-
Urban redevelopment	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-
Total disbursements	14,873	6,593	23,243	135,995	74,975	22,991	-
Excess (deficiency) of receipts over disbursements	7,745	(6,593)	(22,759)	24,644	8,799	(9,815)	-
Other financing sources (uses):							
Temporary loans to pension trust	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,745	(6,593)	(22,759)	24,644	8,799	(9,815)	-
Cash and investment fund balance - beginning	12,187	77,378	145,631	93,076	21,611	13,797	879
Cash and investment fund balance - ending	<u>\$ 19,932</u>	<u>\$ 70,785</u>	<u>\$ 122,872</u>	<u>\$ 117,720</u>	<u>\$ 30,410</u>	<u>\$ 3,982</u>	<u>\$ 879</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ 70,785	\$ 122,872	\$ 117,720	\$ 30,410	\$ 3,982	\$ 879
Restricted assets:							
Cash and investments	19,932	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 19,932</u>	<u>\$ 70,785</u>	<u>\$ 122,872</u>	<u>\$ 117,720</u>	<u>\$ 30,410</u>	<u>\$ 3,982</u>	<u>\$ 879</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Other purposes	19,932	-	-	-	-	-	-
Unrestricted	-	70,785	122,872	117,720	30,410	3,982	879
Total cash and investment fund balance - December 31	<u>\$ 19,932</u>	<u>\$ 70,785</u>	<u>\$ 122,872</u>	<u>\$ 117,720</u>	<u>\$ 30,410</u>	<u>\$ 3,982</u>	<u>\$ 879</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Operation Pullover	LaPorte High School Liaison Reimbursement	Big City/ County Seatbelts	DUI Taskforce	Metro Unit - Police	Crash Fatality Reduction	Kiwanis/ Teledyne Nonreverting
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	25,153	23,895	5,000	1,382	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	72,413	-	-	-	-	-
Total receipts	-	72,413	25,153	23,895	5,000	1,382	-
Disbursements:							
General government	-	70,097	-	-	-	-	-
Public safety	-	-	20,586	22,660	4,500	2,491	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	1,840
Urban redevelopment	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-
Total disbursements	-	70,097	20,586	22,660	4,500	2,491	1,840
Excess (deficiency) of receipts over disbursements	-	2,316	4,567	1,235	500	(1,109)	(1,840)
Other financing sources (uses):							
Temporary loans to pension trust	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	10,000
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	10,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,316	4,567	1,235	500	(1,109)	8,160
Cash and investment fund balance - beginning	1,014	(9,971)	310	(2,658)	3,000	170	22,453
Cash and investment fund balance - ending	<u>\$ 1,014</u>	<u>\$ (7,655)</u>	<u>\$ 4,877</u>	<u>\$ (1,423)</u>	<u>\$ 3,500</u>	<u>\$ (939)</u>	<u>\$ 30,613</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ -	\$ (7,655)	\$ -	\$ (1,423)	\$ -	\$ (939)	\$ 30,613
Restricted assets:							
Cash and investments	1,014	-	4,877	-	3,500	-	-
Total cash and investment assets - December 31	<u>\$ 1,014</u>	<u>\$ (7,655)</u>	<u>\$ 4,877</u>	<u>\$ (1,423)</u>	<u>\$ 3,500</u>	<u>\$ (939)</u>	<u>\$ 30,613</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Other purposes	1,014	-	4,877	-	3,500	-	-
Unrestricted	-	(7,655)	-	(1,423)	-	(939)	30,613
Total cash and investment fund balance - December 31	<u>\$ 1,014</u>	<u>\$ (7,655)</u>	<u>\$ 4,877</u>	<u>\$ (1,423)</u>	<u>\$ 3,500</u>	<u>\$ (939)</u>	<u>\$ 30,613</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	LaPorte Strategic Planning	Riley Children's Safety Grant	DEA	Police Vest	Drug Free Partnership	Rental Rehab Lien Payment
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	1,605	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	2,385	-	1	-	-	-
Total receipts	2,385	-	1	1,605	-	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	40	-	3,394	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Total disbursements	-	40	-	3,394	-	-
Excess (deficiency) of receipts over disbursements	2,385	(40)	1	(1,789)	-	-
Other financing sources (uses):						
Temporary loans to pension trust	-	-	-	-	-	-
Transfers in	-	-	-	1,863	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,863	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,385	(40)	1	74	-	-
Cash and investment fund balance - beginning	2,197	40	442	583	55	661
Cash and investment fund balance - ending	<u>\$ 4,582</u>	<u>\$ -</u>	<u>\$ 443</u>	<u>\$ 657</u>	<u>\$ 55</u>	<u>\$ 661</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 4,582	\$ -	\$ -	\$ -	\$ -	\$ 661
Restricted assets:						
Cash and investments	-	-	443	657	55	-
Total cash and investment assets - December 31	<u>\$ 4,582</u>	<u>\$ -</u>	<u>\$ 443</u>	<u>\$ 657</u>	<u>\$ 55</u>	<u>\$ 661</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	443	657	55	-
Unrestricted	4,582	-	-	-	-	661
Total cash and investment fund balance - December 31	<u>\$ 4,582</u>	<u>\$ -</u>	<u>\$ 443</u>	<u>\$ 657</u>	<u>\$ 55</u>	<u>\$ 661</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Redevelopment TIF I	Redevelopment TIF II	Redevelopment TIF III	Landfill RDC Bonds	Economic Development Corridor	Depot Renovation
Receipts:						
Taxes	\$ 12,030	\$ 3,692	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	134,759	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	18,455	160,056	3,848	1,578,081	-	-
Total receipts	30,485	163,748	3,848	1,578,081	134,759	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	865,569	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	546,760	-	-	-	-	-
Economic development	-	-	-	-	134,759	963
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	94,643	-	-	-	-	-
Total disbursements	641,403	-	-	865,569	134,759	963
Excess (deficiency) of receipts over disbursements	(610,918)	163,748	3,848	712,512	-	(963)
Other financing sources (uses):						
Temporary loans to pension trust	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(395,791)	(106,000)	-	-	-	-
Total other financing sources (uses)	(395,791)	(106,000)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,006,709)	57,748	3,848	712,512	-	(963)
Cash and investment fund balance - beginning	1,156,023	358,361	43,696	-	-	963
Cash and investment fund balance - ending	\$ 149,314	\$ 416,109	\$ 47,544	\$ 712,512	\$ -	\$ -
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	149,314	416,109	47,544	712,512	-	-
Total cash and investment assets - December 31	\$ 149,314	\$ 416,109	\$ 47,544	\$ 712,512	\$ -	\$ -
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	149,314	416,109	47,544	712,512	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 149,314	\$ 416,109	\$ 47,544	\$ 712,512	\$ -	\$ -

CITY OF LAPORTE
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Master Plan Donation	Restricted Donations	Fire Restricted Donations	Veteran Committee	Good Samaritan	Fire Equipment Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	35,253
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	59,412	40	600	-	-
Total receipts	-	59,412	40	600	-	35,253
Disbursements:						
General government	-	53,528	139	252	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	10,627	-	-	-	35,253
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Total disbursements	-	64,155	139	252	-	35,253
Excess (deficiency) of receipts over disbursements	-	(4,743)	(99)	348	-	-
Other financing sources (uses):						
Temporary loans to pension trust	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,743)	(99)	348	-	-
Cash and investment fund balance - beginning	5,413	43,820	99	8,596	2,650	-
Cash and investment fund balance - ending	<u>\$ 5,413</u>	<u>\$ 39,077</u>	<u>\$ -</u>	<u>\$ 8,944</u>	<u>\$ 2,650</u>	<u>\$ -</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 2,650	\$ -
Restricted assets:						
Cash and investments	5,413	39,077	-	8,944	-	-
Total cash and investment assets - December 31	<u>\$ 5,413</u>	<u>\$ 39,077</u>	<u>\$ -</u>	<u>\$ 8,944</u>	<u>\$ 2,650</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	5,413	39,077	-	8,944	-	-
Unrestricted	-	-	-	-	2,650	-
Total cash and investment fund balance - December 31	<u>\$ 5,413</u>	<u>\$ 39,077</u>	<u>\$ -</u>	<u>\$ 8,944</u>	<u>\$ 2,650</u>	<u>\$ -</u>

CITY OF LAPORTE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Transit	IFA VERMA Assessment	EPA Railroad Clean up	EPA Petroleum Assessment	EPA Hazardous Assessment	Firefighters Assistance
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	321,435	3,615	10,974	30,316	25,790	15,588
Charges for services	104,314	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	3,614	-	-	-	-	-
Total receipts	<u>429,363</u>	<u>3,615</u>	<u>10,974</u>	<u>30,316</u>	<u>25,790</u>	<u>15,588</u>
Disbursements:						
General government	553,279	-	-	-	-	-
Public safety	-	3,615	-	-	-	15,588
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	10,974	30,316	25,790	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Total disbursements	<u>553,279</u>	<u>3,615</u>	<u>10,974</u>	<u>30,316</u>	<u>25,790</u>	<u>15,588</u>
Excess (deficiency) of receipts over disbursements	<u>(123,916)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Temporary loans to pension trust	-	-	-	-	-	-
Transfers in	125,925	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>125,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - beginning	<u>(44,134)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ (42,125)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ (42,125)	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ (42,125)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	<u>(42,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ (42,125)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAPORTE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Disel Oxidation Grant	Trash	Riverboat Gaming	Development Block Grant	Bond Debt Service	Fire Lease
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 32,320	\$ 35,710
Licenses and permits	-	-	-	-	-	-
Intergovernmental	13,440	-	123,068	930,337	15,005	16,578
Charges for services	-	790,661	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	13,440	790,661	123,068	930,337	47,325	52,288
Disbursements:						
General government	-	-	-	-	1,107	406
Public safety	13,440	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	786,241	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	207,571	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	161,000	65,000
Interest	-	-	-	-	62,686	101,000
Capital outlay:						
General government	-	-	42,294	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	720,305	-	-
Total disbursements	13,440	786,241	42,294	927,876	224,793	166,406
Excess (deficiency) of receipts over disbursements	-	4,420	80,774	2,461	(177,468)	(114,118)
Other financing sources (uses):						
Temporary loans to pension trust	-	-	(415,000)	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(415,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,420	(334,226)	2,461	(177,468)	(114,118)
Cash and investment fund balance - beginning	-	133,560	728,410	3,456	109,002	43,367
Cash and investment fund balance - ending	\$ -	\$ 137,980	\$ 394,184	\$ 5,917	\$ (68,466)	\$ (70,751)
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ 137,980	\$ 394,184	\$ -	\$ (68,466)	\$ (70,751)
Restricted assets:						
Cash and investments	-	-	-	5,917	-	-
Total cash and investment assets - December 31	\$ -	\$ 137,980	\$ 394,184	\$ 5,917	\$ (68,466)	\$ (70,751)
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	5,917	-	-
Unrestricted	-	137,980	394,184	-	(68,466)	(70,751)
Total cash and investment fund balance - December 31	\$ -	\$ 137,980	\$ 394,184	\$ 5,917	\$ (68,466)	\$ (70,751)

CITY OF LAPORTE
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Park Bond Debt Service	Redevelopment Authority	Cumulative Capital Improvement	Cumulative Capital Development	Park Nonreverting Capital	Beechwood Nonreverting Capital
Receipts:						
Taxes	\$ 45,757	\$ -	\$ -	\$ 63,308	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	21,243	-	75,941	29,392	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	32,681	-	14,971	-	-
Total receipts	67,000	32,681	75,941	107,671	-	-
Disbursements:						
General government	1,682	-	-	-	-	-
Public safety	-	-	48,247	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	4,000	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	225,000	260,000	-	-	-	-
Interest	84,252	243,668	-	-	-	-
Capital outlay:						
General government	-	-	-	348,682	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	565
Urban redevelopment	-	-	-	-	-	-
Total disbursements	310,934	507,668	48,247	348,682	-	565
Excess (deficiency) of receipts over disbursements	(243,934)	(474,987)	27,694	(241,011)	-	(565)
Other financing sources (uses):						
Temporary loans to pension trust	-	-	-	-	-	-
Transfers in	-	501,791	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	501,791	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(243,934)	26,804	27,694	(241,011)	-	(565)
Cash and investment fund balance - beginning	267,964	716,596	149,772	684,445	53,874	4,542
Cash and investment fund balance - ending	<u>\$ 24,030</u>	<u>\$ 743,400</u>	<u>\$ 177,466</u>	<u>\$ 443,434</u>	<u>\$ 53,874</u>	<u>\$ 3,977</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	24,030	743,400	177,466	443,434	53,874	3,977
Total cash and investment assets - December 31	<u>\$ 24,030</u>	<u>\$ 743,400</u>	<u>\$ 177,466</u>	<u>\$ 443,434</u>	<u>\$ 53,874</u>	<u>\$ 3,977</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ 24,030	\$ 743,400	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	177,466	443,434	53,874	3,977
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 24,030</u>	<u>\$ 743,400</u>	<u>\$ 177,466</u>	<u>\$ 443,434</u>	<u>\$ 53,874</u>	<u>\$ 3,977</u>

CITY OF LAPORTE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Vertical Real Estate	Central Station Exterior	North Side Fire Construction	Central Station Roof	Industrial Development	General Improvement
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	22,900	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	7,200	-	-	-	1,650	75,850
Total receipts	7,200	22,900	-	-	1,650	75,850
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	145,105
Public safety	-	20,086	78,658	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Total disbursements	-	20,086	78,658	-	-	145,105
Excess (deficiency) of receipts over disbursements	7,200	2,814	(78,658)	-	1,650	(69,255)
Other financing sources (uses):						
Temporary loans to pension trust	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,200	2,814	(78,658)	-	1,650	(69,255)
Cash and investment fund balance - beginning	46,006	2,874	78,674	240	35,265	119,676
Cash and investment fund balance - ending	<u>\$ 53,206</u>	<u>\$ 5,688</u>	<u>\$ 16</u>	<u>\$ 240</u>	<u>\$ 36,915</u>	<u>\$ 50,421</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	53,206	5,688	16	240	36,915	50,421
Total cash and investment assets - December 31	<u>\$ 53,206</u>	<u>\$ 5,688</u>	<u>\$ 16</u>	<u>\$ 240</u>	<u>\$ 36,915</u>	<u>\$ 50,421</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects	53,206	5,688	16	240	36,915	50,421
Highways and streets	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 53,206</u>	<u>\$ 5,688</u>	<u>\$ 16</u>	<u>\$ 240</u>	<u>\$ 36,915</u>	<u>\$ 50,421</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007
(Continued)

	Fire Nonreverting Capital Equipment	Head Creek	Downtown BID District	Tax Levy Excess	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ 45,789	\$ 238,606
Licenses and permits	-	-	-	-	4,170
Intergovernmental	-	-	-	-	2,123,855
Charges for services	-	-	-	-	1,204,950
Fines and forfeits	-	-	-	-	8,495
Other	65,000	19,710	7,864	-	2,129,001
Total receipts	65,000	19,710	7,864	45,789	5,709,077
Disbursements:					
General government	-	-	-	-	680,490
Public safety	6,500	-	-	-	162,527
Highways and streets	-	-	-	-	240,134
Sanitation	-	-	-	-	1,675,053
Culture and recreation	-	-	-	-	305,312
Urban redevelopment	-	-	78,576	-	836,907
Economic development	-	-	-	-	202,802
Debt service:					
Principal	-	-	-	-	711,000
Interest	-	-	-	-	491,606
Capital outlay:					
General government	-	-	-	-	536,081
Public safety	-	-	-	-	144,624
Culture and recreation	-	-	-	-	16,239
Urban redevelopment	-	-	-	-	814,948
Total disbursements	6,500	-	78,576	-	6,817,723
Excess (deficiency) of receipts over disbursements	58,500	19,710	(70,712)	45,789	(1,108,646)
Other financing sources (uses):					
Temporary loans to pension trust	-	-	-	-	(415,000)
Transfers in	-	-	-	-	639,579
Transfers out	-	-	-	-	(506,791)
Total other financing sources (uses)	-	-	-	-	(282,212)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	58,500	19,710	(70,712)	45,789	(1,390,858)
Cash and investment fund balance - beginning	-	48,840	90,220	-	5,445,619
Cash and investment fund balance - ending	<u>\$ 58,500</u>	<u>\$ 68,550</u>	<u>\$ 19,508</u>	<u>\$ 45,789</u>	<u>\$ 4,054,761</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 754,330
Restricted assets:					
Cash and investments	58,500	68,550	19,508	45,789	3,300,431
Total cash and investment assets - December 31	<u>\$ 58,500</u>	<u>\$ 68,550</u>	<u>\$ 19,508</u>	<u>\$ 45,789</u>	<u>\$ 4,054,761</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 767,430
Capital projects	58,500	68,550	19,508	-	971,795
Highways and streets	-	-	-	-	100,109
Other purposes	-	-	-	45,789	1,461,097
Unrestricted	-	-	-	-	754,330
Total cash and investment fund balance - December 31	<u>\$ 58,500</u>	<u>\$ 68,550</u>	<u>\$ 19,508</u>	<u>\$ 45,789</u>	<u>\$ 4,054,761</u>

CITY OF LAPORTE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2007

	Fire Pension	Police Pension	Totals
Additions:			
Contributions:			
Employer	\$ 194,393	\$ 37,906	\$ 232,299
State	<u>513,397</u>	<u>385,860</u>	<u>899,257</u>
Total contributions	<u>707,790</u>	<u>423,766</u>	<u>1,131,556</u>
Investment receipts:			
Interest	<u>4,073</u>	<u>3,230</u>	<u>7,303</u>
Total additions	<u>711,863</u>	<u>426,996</u>	<u>1,138,859</u>
Deductions:			
Benefits	1,185,836	631,098	1,816,934
Administrative and general	<u>78,994</u>	<u>11,613</u>	<u>90,607</u>
Total deductions	<u>1,264,830</u>	<u>642,711</u>	<u>1,907,541</u>
Deficiency of total additions under total deductions	(552,967)	(215,715)	(768,682)
Other financing sources:			
Temporary loan received	<u>315,000</u>	<u>100,000</u>	<u>415,000</u>
Cash and investment fund balance - beginning	<u>250,044</u>	<u>243,915</u>	<u>493,959</u>
Cash and investment fund balance - ending	<u><u>\$ 12,077</u></u>	<u><u>\$ 128,200</u></u>	<u><u>\$ 140,277</u></u>

CITY OF LAPORTE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2007

	Eleanor Fox Trust	Fox Memorial	Maurice Fox	Totals
Additions:				
Investment earnings:				
Net increase in fair value of investments	\$ 2,662	\$ 552	\$ 6,360	\$ 9,574
Interest	3,987	468	2,976	7,431
Dividends	<u>2,638</u>	<u>2,379</u>	<u>3,625</u>	<u>8,642</u>
Total additions	<u>9,287</u>	<u>3,399</u>	<u>12,961</u>	<u>25,647</u>
Deductions:				
Distribution	4,333	250	8,994	13,577
Administrative and general	<u>827</u>	<u>1,513</u>	<u>-</u>	<u>2,340</u>
Total deductions	<u>5,160</u>	<u>1,763</u>	<u>8,994</u>	<u>15,917</u>
Excess of total additions over total deductions	4,127	1,636	3,967	9,730
Cash and investment fund balance - beginning	<u>135,777</u>	<u>51,276</u>	<u>193,139</u>	<u>380,192</u>
Cash and investment fund balance - ending	<u>\$ 139,904</u>	<u>\$ 52,912</u>	<u>\$ 197,106</u>	<u>\$ 389,922</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For The Year Ended December 31, 2007

	Payroll	Barrett Law	Flexible Spending Account	Utilities ACH Fund	Totals
Additions:					
Agency fund additions	\$ 9,914,444	\$ -	\$ 5,319	\$ 344,332	\$ 10,264,095
Deductions:					
Agency fund deductions	9,952,124	100	5,274	344,440	10,301,938
Excess (deficiency) of total additions over (under) total deductions	(37,680)	(100)	45	(108)	(37,843)
Cash and investment fund balance - beginning	40,122	37,644	4,902	428	83,096
Cash and investment fund balance - ending	<u>\$ 2,442</u>	<u>\$ 37,544</u>	<u>\$ 4,947</u>	<u>\$ 320</u>	<u>\$ 45,253</u>

CITY OF LAPORTE
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Street patcher	\$ 31,387	\$ 9,956
Closed circuit television	5,467	1,762
HVAC loan	27,726	8,531
Bonds payable:		
General obligation bonds:		
Park district improvements	1,665,000	240,000
City refunding bonds for police station renovations and equipment purchases for fire and street departments	1,564,000	166,000
Revenue bonds:		
Tax increment revenue bonds for development of East Gate	1,707,077	-
Redevelopment District Bonds for landfill remediation and redevelopment in the central business area	1,565,000	56,058
Redevelopment Authority lease rental bonds for street and sidewalk improvements	4,215,000	190,000
Economic development lease rental bonds for improvements to Thomas Rose Industrial Park	460,000	85,000
Total governmental activities long term debt	<u>\$ 11,240,657</u>	<u>\$ 757,307</u>
Business-type Activities:		
Water Utility		
Capital leases:		
Copier	\$ 1,268	\$ 1,268
Revenue bonds:		
Refunding bonds for waterworks system improvements	2,050,000	435,000
Total Water Utility	<u>2,051,268</u>	<u>436,268</u>
Wastewater Utility		
State revolving loans for plant improvements	4,527,951	352,000
Revenue bonds	7,095,000	130,000
Total Wastewater Utility	<u>11,622,951</u>	<u>482,000</u>
Total business-type activities debt	<u>\$ 13,674,219</u>	<u>\$ 918,268</u>

CITY OF LAPORTE
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual City offices listed below:

Water and Wastewater Utilities

CITY OF LAPORTE
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn as of December 31, 2007:

	<u>Fund No.</u>	<u>Amount</u>
Park and Recreation	(216)	\$ 665,832
LaPorte High School Liaison Reimbursement	(277)	7,656
DUI Taskforce	(279)	1,423
Crash Fatality Reduction	(283)	939
Transit	(621)	42,125
Bond Debt Service	(286)	68,466
Fire Lease	(638)	70,751

The cash balances of the LaPorte High School Liaison Reimbursement, DUI Taskforce, Crash Fatality Reduction, and Transit funds are reimbursable by LaPorte High School and state and federal grants.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

The City does not maintain sufficient detailed records of capital assets. A valuation was performed in 2004 which resulted in a detail listing of capital assets. However, the master detail listing has not been updated since 2004 nor does the listing provide historical costs for land. Also, the City records capital asset additions, but disposals are not always recorded as the cost of the asset.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PAYROLL

1. As noted in the prior reports, the Utilities and City submit payroll claims to the Clerk-Treasurer for hours worked through the date of the payroll check. Payroll is prepared three days before payroll checks are issued. This results in the possibility of employees receiving compensation prior to earning it. This situation exists primarily for employees that have been long-term employees. Employees that have been hired in recent years have had one week's pay withheld upon commencing employment.
2. The fire department does not use approved or prescribed forms for their service records.

Indiana Code 5-7-3-1 states in part: "Public officers may not draw or receive their salaries in advance."

CITY OF LAPORTE
AUDIT RESULTS AND COMMENTS
(Continued)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TEMPORARY LOAN - PARK DEPARTMENT

As stated in prior reports, the Kiwanis/Teledyne Park Nonreverting Fund loaned the Beechwood Nonreverting Capital Fund approximately \$60,000 in 1991. The loan has yet to be repaid. The outstanding balance of this loan at December 31, 2007, was \$15,900.

Indiana Code 36-1-8-4 concerning temporary loans states in part: "(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

FIRE TRUCK SALE PROCEEDS

Proceeds from the sale of a fire aerial pumper truck totaling \$65,000 were deposited into the Fire Nonreverting Capital Fund. The City Council established the capital project fund to be used at the discretion of the fire department. The fire truck was originally purchased from the General Fund.

Proceeds generated by the sale or rental of property should be receipted into the fund which originally purchased the property unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

POLICE DEPARTMENT RECEIPTS

We noted eight receipts issued by the police department that were marked void on the duplicate yellow copy but the original white receipt was not returned. All of these voided receipts were marked "paid by cash."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

EXPENSE REIMBURSEMENT ITEMIZATION

Records presented for audit included claims for reimbursement for five credit card purchases by the police department, totaling \$20, at local gas stations for drinks, snacks, and chewing tobacco. Detailed documentation was not attached to the information presented for reimbursement which would enable a determination that all expenses were for employees conducting governmental business.

All claims, invoices, receipts, accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for whom

CITY OF LAPORTE
AUDIT RESULTS AND COMMENTS
(Continued)

amounts are claimed, including the nature, name and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Public funds may not used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF LAPORTE, LAPORTE COUNTY, INDIANA

Compliance

We have audited the compliance of the City of LaPorte (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-1.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in item 2007-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan and Official Response section of the report. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 2, 2008

CITY OF LAPORTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-07-MC-18-0021	\$ 25,385
		B-06-MC-18-0021	522,961
		B-05-MC-18-0021	292,715
		B-04-MC-18-0021	<u>86,815</u>
Total for federal grantor agency			<u>927,876</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Bulletproof Vest Partnership Program	16.607		<u>1,605</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
Economic Development Corridor Feasibility Study			<u>134,759</u>
Pass-Through Northwestern Indiana Regional Planning Commission			
Federal Transit Cluster			
Federal Transit - Formula Grants	20.507	IN-90-X-535	<u>223,680</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PT-07-04-01-014	9,683
		PT-08-04-01-13	<u>10,903</u>
Total for cluster			<u>20,586</u>
Total for federal grantor agency			<u>379,025</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF 00E03701-0	10,974
		BF 00E03601-0	30,316
		BF 00E03601-0	<u>25,790</u>
Total for federal grantor agency			<u>67,080</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant	97.044	EMW-2007-FO-10811	15,588
		EMW-2006-FG-04704	<u>35,253</u>
Total for federal grantor agency			<u>50,841</u>
Total federal awards expended			<u>\$ 1,426,427</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF LAPORTE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of LaPorte (City) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2007:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2007</u>
Community Development Block Grants/Entitlement Grants	14.218	<u>\$ 19,031</u>

CITY OF LAPORTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted?	no
---	----

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	yes

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes
--	-----

Identification of Major Programs:

CFDA Number	Name of Federal Program
14.218	Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

No matters are reportable.

CITY OF LAPORTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2007-1, DAVIS BACON

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Community Development Block Grants/Entitlement Grants
CFDA Number: 14.218
Federal Award Numbers: B-07-MC-18-0021; B-06-MC-18-0021;
B-05-MC-18-0021; B-04-MC-18-0021

The City required contractors who submitted bids for the 2007 Sidewalk and Curb Ramp Improvement Project, funded by Community Development Block Grant (CDBG), to sign an addendum to the project specifications. The addendum acknowledges the receipt of the common construction wage determination for the City of LaPorte Sidewalk and Curb Improvement Project as prepared by the common construction wage committee appointed by the Indiana Department of Labor.

The contractor that was awarded the CDBG sidewalk project signed the addendum acknowledging the wage rates and included it with the bid package.

The City did not receive certified payroll records from the contractor that performed sidewalk repair work. Therefore, prevailing wage requirements could not be verified.

29 CFR 3.3 states in part:

"(b) Each contractor or subcontractor engaged in the construction, prosecution, completion, or repair of any public building or public work, or building or work financed in whole or in part by loans or grants from the United States, shall furnish each week a statement with respect to the wages paid each of its employees engaged on work covered by this part 3 and part 5 of this chapter during the preceding weekly payroll period. This statement shall be executed by the contractor or subcontractor or by an authorized officer or employee of the contractor or subcontractor who supervises the payment of wages, and shall be on form WH 348, "Statement of Compliance", or on an identical form on the back of WH 347, "Payroll (For Contractors Optional Use)" or on any form with identical wording. Sample copies of WH 347 and WH 348 may be obtained from the Government contracting or sponsoring agency, and copies of these forms may be purchased at the Government Printing Office.

(c) The requirements of this section shall not apply to any contract of \$2,000 or less."

We recommended that the City implement procedures to ensure construction contractors subject to the Davis-Bacon Act regulations provide certified payroll records to ensure prevailing wage rates established for the area are met.



OFFICE OF COMMUNITY DEVELOPMENT AND PLANNING
801 MICHIGAN AVENUE
LA PORTE, INDIANA 46350
PH. (219) 362-8260 FAX (219) 325-0656

May 30, 2008

STATUS OF PRIOR AUDIT FINDINGS

Finding No. 2006-1, Cash Management

Original SBA Audit Report Number: B29878

Fiscal Year: 2006

Auditee Contact Person: Mary Jane Thomas

Title of Contact Person: Director, Office of Community
Development and Planning

Phone Number: 219/362-8260

Status of Finding: Although at December 31, 2006, internal controls to minimize the time elapsing between the deposit of federal funds and their disbursement, this office is making every effort to follow a procedure established in collaboration with the Clerk/Treasurer of the City of LaPorte. Prior to initiating an IDIS draw, the staff of the Office of Community Development and Planning reviewed the claims docket prepared and printed by the Office of Clerk/Treasurer and approved by the Board of Public Works and Safety during their weekly meeting. Afterwards, staff will processed an IDIS draw to support the claims paid for that date.

As a result, this action minimized the amount of time elapsing between the deposit of federal funds and their disbursement. During 2007 and 2008, draws were based upon actual disbursements as opposed to estimated administrative expenses.

Teresa Ludlow
Clerk/Treasurer

Mary Jane Thomas
Director, Office of Community
Development and Planning



Office of the Clerk Treasurer, 801 Michigan Avenue, La Porte, Indiana 46350
Telephone 219-362-9512 FAX 219-362-8955 E-mail: tludlow@cityoflaporte.com Website: <http://ci.la-porte.in.us>

City of LaPorte
Corrective Action
To the Schedule of Findings and Questioned Costs

Section III – Financial Statement Findings

FINDING NO. 2007-1 DAVIS BACON


Recognizing the need for the CDBG Program to follow federal regulations, the Office of Community Development and Planning will implement the following corrective action to the finding.

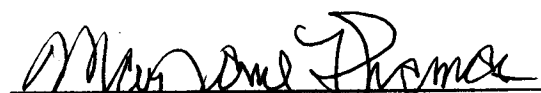
During construction projects subject to Davis-Bacon Act requirements, staff from the Office of Community Development and Planning will provide the contractor with the booklet "Making Davis-Bacon Work: A Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects" at the time the prevailing wage hearing is held.

Certified payroll reports and Statements of Compliance will be required as part of the contract between the City of LaPorte and the contractor. Reports will also be required by the subcontractors.

Staff from the Office of Community Development and Planning will visit the job site during each payroll period for the purpose of interviewing employees of the contractor. A Record of Employee Interview (Form HUD-11) will be completed and kept in the contract file.

Presented by:


Teresa Ludlow
Clerk/Treasurer


Mary Jane Thomas, Director
Office of Community Development
and Planning

5-30-08
Date

5/30/08
Date

CITY OF LAPORTE
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2008, with Kathleen A. Chroback, Mayor; Teresa L. Ludlow, Clerk-Treasurer; Joanne Layman, Deputy Clerk-Treasurer; and Donald E. Baugher, City Attorney. The official response has been made a part of this report and may be found on page 59.



Office of the Clerk Treasurer, 801 Michigan Avenue, La Porte, Indiana 46350
Telephone 219-362-9512 FAX 219-362-8955 E-mail: tludlow@cityoflaporte.com Website: <http://ci.la-porte.in.us>

July 7, 2008

State Board of Accounts
Indiana Government Center South
302 West Washington Street, Rm E418
Indianapolis, IN 46204-2765

RE: State Board of Accounts Audit Report

To Whom It May Concern:

The following should be considered comments and explanation and not criticism of the State Board of Accounts' Audit Report pertaining to overdrawn cash balances:

1. Items 1 through 3 are tax based accounts that were overdrawn because of the County's failure to collect and distribute taxes.
2. Items 4 through 7 are reimbursable grants or contracts requiring the City expend funds prior to receiving reimbursement.

Thank you for your time concerning this matter.

Sincerely,

Teresa L. Ludlow
Clerk-Treasurer